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HOUSE BILL 34

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Richard J. Berry

AN ACT

RELATING TO TITLE INSURANCE; REQUIRING DISCLOSURE OF CERTAIN
INFORMATION CONCERNING PROPERTY TAXES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the New Mexico Title
Insurance Law is enacted to read:

"~~[NEW MATERIAL]~~ PURCHASE OF RESIDENTIAL PROPERTY--
DISCLOSURE OF INFORMATION CONCERNING PROPERTY TAXES.--

A. At the time of the initial communication between
a title insurer that has been requested to issue a title
insurance policy on residential property and the purchaser of
that residential property, the title insurer, or a title
insurance agent acting on the title insurer's behalf, shall
disclose to the purchaser that:

- (1) the rate of the annual increase in the

.174305.1

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 valuation of the property for property tax purposes in prior
2 years may have been limited to three percent, pursuant to the
3 provisions of Section 7-36-21.2 NMSA 1978;

4 (2) the limit on the annual increase in
5 valuation will not apply during the first tax year following
6 the change of ownership; and

7 (3) the valuation of the property and the
8 resulting property tax to be paid by the purchaser may be
9 substantially higher than the previous valuation and property
10 taxes paid on the property by previous owners.

11 B. The superintendent shall promulgate rules
12 ensuring that:

13 (1) the disclosure required by Subsection A of
14 this section is in clear, conspicuous writing that the
15 purchaser is likely to notice; and

16 (2) the standards for the disclosure will be
17 applied statewide in a uniform manner."

18 Section 2. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2009.